



Bansal Wire Industries Limited

Manufacturers of Steel Wires

May 23, 2025

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai - 400 001

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

Scrip Code: 544209

Trading Symbol: BANSALWIRE

Subject: Transcript of Earnings Call pertaining to the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2025

Dear Sir/Madam,

In accordance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform to the exchanges that the transcript of audio call recording of the Company's Earnings Call held on Wednesday, May 21, 2025 to discuss the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2025 is attached herewith

This information will also be hosted on the website of the Company i.e. www.bansalwire.com

We request you to take the above information on record.

Thanking you,

Yours faithfully,

For Bansal Wire Industries Limited

Sumit Gupta
Company Secretary & Compliance Officer

Bansal Wire Industries Limited
Q4 FY '25 Conference Call
May 21, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Q4 and FY '25 Conference Call of Bansal Wire Industries Limited.

From the management, we have Mr. Pranav Bansal - MD and CEO and Mr. Ghanshyam Gujrati - CFO, to take the discussion forward. We also have an Investor Relations team from Adfactors PR.

As a reminder, all participant line will be in listen only mode and there will be an opportunity for you to ask question after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing *, then 0 on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Darshan Mankad from Adfactors PR for opening remarks. Thank you and over to you, sir.

Darshan Mankad: Thank you. Good morning, everyone. We welcome you to the 4th quarter and full Financial Year ended March 31, 2025 Earnings Call of Bansal Wire Industries Limited.

Before we begin, Please note that certain remarks made today may constitute forward-looking statements subject to inherent risks and uncertainties concerning our future financial and operational performance. Thank you for your patience in the event of any technical disruptions and we assure you we will endeavor to restore the connections we play.

I will now hand over the call to Mr. Pranav Bansal - MD and CEO for his opening comments. Over to you, sir.

Pranav Bansal: Thank you, Darshan. Good morning, everyone, and welcome to the Earnings Call for the 4h quarter and the full year ended March 31, 2025. I am delighted to connect with you all again to share and discuss our operational and financial performance for the January to March quarter. The results, earning release and investor presentations are available on our website and Stock Exchanges. We believe you had a chance to go through it. I am joined by Mr. Ghanshyam Das Gujrati, our CFO, who will take you through the financials in details post my remarks.

So the last year has been a landmark period for us, showcasing exceptional performance driven by strong demand across core sectors such as automotive, construction and engineering. This year also marked the commencement of production in our specialty wire vertical featuring high value-added products like Bead Wire, Hose Wire and Steel Tyre Cord. With the robust market opportunity ahead, we now have a total installed capacity of 5.5 lakh tons per annum. This strategic expansion positions us to capitalize on the growing demand while continuing to deliver superior quality solutions to our customers. We are confident that this enhanced capability will further strengthen our market presence and unlock new growth opportunities, especially with an additional 1,20,000 tons of capacity which is scheduled to be commissioned by the end of 2nd Quarter of FY '26.

Following the introduction of our new products, the company has achieved a 69% overall capacity utilization for the year. This includes the Dadri facility and remains on track to reach an even high utilization by the end of this fiscal year with our total production capacity set to reach 6.8 lakh tons. We have also improved our product mix, contributing to better margins and reinforcing our commitment to value driven sustainable growth. As we begin the next year, we remain optimistic about our growth trajectory and are confident in continued progress of Bansal Wire industry as well as the broader advancement of our nation, while challenges such as fluctuating raw material prices and geopolitical uncertainties persist. We see immense opportunity in both domestic and the international market.

Our unwavering focus on operational excellence, quality and sustainability continues to position us as a trusted partner in India's journey towards modernized infrastructure and global competitiveness. With that, I would like to now hand over the call to our CFO, Mr. Ghanshyam.

Ghanshyam Das Gujrati: Thank you, Pranav sir. Good morning, friends. Now, I shall share the summary of 4th quarter and full year financial performance with you. For Quarter 4 Financial Year '25, our revenue grew 33% year-on-year to Rs. 940 crores. EBITDA surged 59% Y-on-Y to Rs. 75 crores and net profit for the quarter stood at Rs. 33 crores up by 36% year-on-year basis.

For Financial Year '25, revenue stood at Rs. 3,507 crores higher by 42% EBITDA grew 86% to Rs. 78 crores while net profit jumped to 95% to Rs. 146 crores. I am happy to report that EBITDA and net profit margin for the Quarter 4 expanded by 130 basis points and 10 basis points on year-on-year terms. We will now open a forum for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Prateek Singh from Dam Capital. Please go ahead.

Prateek Singh: Hi, Pranav. Congrats for a good set of numbers. Just the first question is largely on volume. If you can guide us as to what kind of volumes we did in Q4 and the full year of this year and if you can also help us with the break up for both these numbers in Low Carbon, High Carbon and Stainless? That is the first question?

Pranav Bansal: Yes. Hi, good morning Prateek. So for the full year, we did about 3,44,000 tons of volume whereas in the 4th quarter, we did about 97,000-98,000 tons in total. As far as the segment wise breakup is concerned, we do not disclose those numbers today, but we will try and fetch you some details later.

Prateek Singh: Sure. And any guidance on the next year's volumes, how would we do?

Pranav Bansal: So I think right now, where we stand the demand looks good. We have good capacity-installed and more coming our way. So I do not believe that there is any reason we should not be able to grow at about 20%-30% for the year in volumes.

Prateek Singh: And what kind of confidence do you have to maintain the kind of margins that we did this year because this year was a super year in terms of margins, given that you are growing volumes, would you be able to maintain these margins going ahead?

Pranav Bansal: So sir, this year, there was a mix of 2 things that helped us grow our margins. One was a superior product mix, which happened because we did not have a lot of volume to sell in the lower EBITDA margin business, which for the year 25-26 we would have a good quantity in even the lower EBITDA business. So our product portfolio or our product mix will be changing in 26. Therefore, if we grow at let us say, 20% or 30% in volumes, we are not expecting to grow at the same pace in EBITDA as well, therefore our margins might reduce or normalize by this year.

Prateek Singh: Understood. And just the last question before I join back the queue, if you can just elaborate on the status about Hose Wire and Steel Cords where we are and also on this 1.8 lakh ton steel plant that we are doing in Gujarat?

Pranav Bansal: Sure, sir. So Steel Cord, our samples have already reached some of our customers. And till now everything looks positive. I think we remain on track to start our production very soon. As far as Hose Wire is concerned, Hose Wire has been doing good. We are seeing very good and positive reactions from our customers. We are waiting for a couple of more approvals which will come shortly in the next 1 and 1.5 month wherein we should be able to then ramp up our capacities very quickly. As of now, we are operating at 20%-25% capacity utilization.

Prateek Singh: Thanks, Pranav and all the best.

Moderator: Thank you. Next question is from the line of Vinit from Investec. Please go ahead.

Vinit: Hi, Pranav. Good morning. Pranav, couple of questions, one is considering that we have already done almost 1 lakh tons in this quarter and given you are guiding for 25%-30% volume growth for the next full year. Even if we annualize this 1 lakh ton run rate, we should be able to achieve broadly our guidance. So don't you think this guidance is slightly on the conservative side?

Pranav Bansal: So Sir, we believe to be a little conservative whenever committing you a number. It will be better if I am able to achieve a higher number and I commit. So my guidance would remain the same 20%-30%. Of course, there are opportunities wherein we should be able to grow at a higher pace, but I think 20%-30% is a good number and a safe number to consider.

Vinit: Pranav, second thing was on inventories, which has gone up this year. Any comment on that? What was the reason for it or is it the case where we have talked up much more in anticipation of demand or some of the deliveries could not happen?

Pranav Bansal: Sure, sir. So here, I think there are 2 or 3 different factors here. First, we have done a complete consolidation of all our group companies in the last year. Therefore, the inventories of all the companies are now in Bansal Wire, you will see a higher number therein. Second, we are operating today out of 6 different locations, because the 2 older entities have not completely stopped manufacturing, all the sales has stopped from those entities, but the manufacturing is still there in the name of Bansal Wire. Therefore, we have to keep inventories in 6 different locations. Over the course of this year that should come back to a nominal level.

Vinit: Understood. Pranav, if you can throw some light on factoring, which we were thinking about for our receivables, what is the status there? Are we planning to start with it this year? How are you thinking about it?

Pranav Bansal: So, sir, our limits are already tied up. We in fact started using some of it in the 4th quarter as well, but most of the limits are tied up for us to be using in the 1st and 2nd Quarter of this year. So that is all in place due to which we will be able to see a better working capital cycle in the company and this will start from the 1st quarter itself.

Vinit: Understood. And Pranav, lastly, before I move back to the queue, Stainless Steel Rod, we have announced CAPEX now plan is there, how that will happen? Is it a case that the whole facility including the Wires and the Steel Rod manufacturing will commence by September '27 or it will happen in a phased manner wherein some part of it will get commissioned earlier and some later?

Pranav Bansal: Sir, we are expecting the Wire facility to be commissioned maybe a quarter before the Steel manufacturing. So in the 3rd quarter is when we expect the commencement of our backward integration. But in the 2nd Quarter, we should some numbers from the Wire facility. So Stainless Steel and Low Carbon will start before that.

Vinit: And if I am not wrong, this is Q2 or Q3 of FY '28?

Pranav Bansal: Yes, absolutely.

Vinit: Understood. Thanks, Pranav for this.

Pranav Bansal: Thank you.

Moderator: Thank you. Next question is from the line of Vidit Trivedi from Asian Market Securities. Please go ahead. We got disconnected from Mr. Trivedi. Next question is from the line of Mr. Akash from Dalal & Broacha. Please go ahead.

Akash: Yes. Thanks for the opportunity and congratulations on the great set of numbers. So firstly, sir, I would like to understand why have our gross margins dipped this quarter, around 23% last quarter to 21%?

Pranav Bansal: Sir, that would be some fluctuation in raw material, but even that not a big number for us.

Akash: Sir, what kind of utilizations we have achieved at Dadri scale, are we operating at currently?

Pranav Bansal: Sir, in the 4th quarter, we have done about 25%-30% more output as compared to the 3rd quarter. And I think last month we closed at about 40% utilization in Dadri.

Akash: So we have achieved 40% utilization?

Pranav Bansal: Yes.

Akash: And my second question was to understand from an industry standpoint, from the end user industry, I think this year we are seeing great demand coming from infrastructure and general engineering, right apart from automotive, of course. So going forward, which industry do you feel will contribute more and more for us?

Pranav Bansal: Sir, I think we are very diversified when it comes to end user industries. So therein, we are not really dependent on one specific industry for our growth. But just to give you a perspective, I think Automotive, Cable, Infra, General Engineering, these have always been the major contributors of our growth and that will continue even this year.

Akash: Sir, we have started LRPC wire already or we are going to start in FY '26?

Pranav Bansal: We have commissioned the facility. We are right now waiting for some BIS approval to start selling to all our customers, so which should be with us in the next 10-15 days.

Akash: Understood. I will come back in the queue.

Moderator: Thank you. Next question is from the line of Shweta Dikshit from Systematix Group. Please go ahead.

Shweta Dikshit: Hello. Yes, hi, good morning. Thank you for the opportunity. Sir, my question is regarding what is a steady state capacity utilization to resume for the new capacity coming in. If I look at the

run rate as of now on a full year basis, the capacity utilization comes to around 63%, but if I annualize the 4th quarter number, we are already at 21% capacity utilization. So what is the level that we can look at to improve the existing capacity utilization, also once we commission the new 1,20,000 tons by the end of 2nd Quarter, how much utilization can be achieved within FY '26 on that volume?

Pranav Bansal: Sure, ma'am. So, ma'am, historically, we have been able to achieve 89%-90% kind of capacity utilization. And I don't see any reason why we should not be able to do it, even in the new facility, if not higher. And of course, we have another 1.2 lakh tons which is to be commissioned in the next 2 quarters which will give us enough room to grow quarter-on-quarter. As I said, for the full year, we are expecting about 20%-30% kind of volume growth if everything remains as it is. So I think the capacity is there for us to consume.

Shweta Dikshit: Any sense on what kind of EBITDA margin we can expect going forward because on a per ton basis, we are currently at around Rs. 7,600, but for the full year, the average is around Rs. 8,000 per ton. So we have already seen a little bit of softness in EBITDA per ton this quarter. So is this the reduction we should estimate for FY '26 or there can be further reduction in our EBITDA per ton?

Pranav Bansal: So one, historically, our strategy has been that why we play on higher volume and the next year, we try to maintain a growth rate with an increased EBITDA. So last year has been a year where we have been able to increase our EBITDA. This year we are looking at as the year where we might reduce our margin a bit, but increase our volume, so that by FY '27, we again come back to this kind of EBITDA with a higher base of volume. Therein, we would see some slight reduction in EBITDA for sure. If we are able to gain 20%-30% volume growth, I would believe that another 10% reduction in EBITDA would be possible.

Shweta Dikshit: From the 4Q exit that we saw, right?

Pranav Bansal: Yes.

Shweta Dikshit: Thank you so much.

Moderator: Thank you. Next question is from the line of Mayank Bhandari from Asian Market Securities. Please go ahead.

Mayank Bhandari: Thanks for the opportunity. Sir, what would be your CAPEX in FY '26 and FY '27?

Pranav Bansal: Sir, we have announced the one major CAPEX that is the backward integration wherein we are putting up a 1.8 lakh ton capacity to making our own wire rods and another 60,000 wire capacity. So for this, we are looking at about Rs. 600 crores of total investment. That is the main CAPEX that we are looking at as of now. Apart from that, whenever as and when we get good

orders in Specialty Wire, we would be also looking at expanding in a Greenfield plant for Specialty.

Mayank Bhandari: So this Rs. 600 crores is evenly split in '26-27?

Pranav Bansal: Yes, '26-27, we will see, majority of this happening in 26 and some of it will be in 27.

Mayank Bhandari: So how are we going to fund this Rs. 600 crores if it is happening in 26 because our cash position is little, not helpful at this moment in terms of fund raising.

Pranav Bansal: So even on cash flows, we have actually been able to go towards cash flow positivity this year. The last quarter, we have seen only Rs. 20 crores of reduction in cash flows wherein we started with about Rs. 100 crores reduction and looking at the factoring and all these optimization benefits in our working capital, we should be able to turn towards cash flow positivity within the 1st quarter of FY '26. With this being said, after our IPO, we have also reduced our debt significantly. Our total debt to equity ratio from 1.5 has come down to 0.5. So we can leverage our books with some kind of debt going forward and we also have a lot of good cash flows that we are expecting in this year and the next year. Even if you look at last year, we did about Rs. 270-Rs. 280 crores of EBITDA and even with reduced margins, but we will be growing our volume by 20%-30%. So we are expecting a higher EBITDA this year and the year after that. Therefore, a mix of internal cash accruals and some amount of debt, we will be able to do this project.

Mayank Bhandari: And about the export opportunities, like what is the export contribution in this FY '25 revenue?

Pranav Bansal: Sir, I do not have those numbers with me. May be Ghanshyamji, can you comment on this?

Ghanshyam Das Gujrati: Export is around Rs. 350 crores.

Pranav Bansal: So about 10% of ROA.

Ghanshyam Das Gujrati: Yes.

Moderator: Thank you. Next question is from the line of Hemant Soni, an Individual Investor. Please go ahead.

Hemant Soni: Thank you for providing me the opportunity, but sir, sorry to say, but not very happy with the results because I was expecting a better number considering the ramp up of the Dadri plant. So coming down to my questions, I have a couple of questions. First of all, the entire capacity of Dadri is available right now? And the second question is, sir, we had earlier guided for 5 lakh tons of sales volume in FY '26 in a media interview. Now, we are giving a lower guidance and one more thing I wanted to ask is that 1.2 lakh tons, the expansion is over and above the 5.5 currently?

Pranav Bansal: Sure. So, sir, right now we are at about 3 lakh tons of capacity in Dadri, another 0.5 lakh tons is to be commissioned maybe within the next 1 month and after that we are also looking at an additional 60,000 tons of capacity, so about another 0.6-0.7 lakh tons of capacity to be commissioned by the second quarter. So Dadri from 3 lakh will go to about 4.2 lakhs in the next 2 quarters. That is one. As far as the capacity or the sales guidance for the next year goes, we have already done a good growth this year and the next year also does not, we see a good demand for the year after this as well. Therefore, at 20%-30% guidelines, although they might seem a little conservative I think are good guidelines for the 1st year. But yes, there is definitely an opportunity for us to grow at a higher rate.

Hemant Soni: So sir, the current capacity as of now including the Dadri is 5.5 lakh tons, correct?

Pranav Bansal: Absolutely, sir.

Hemant Soni: And another 0.5 lakh tons will be added in the next month, June and then and the second one?

Pranav Bansal: So 1.2 lakh tons in total will be added in the next 2 quarters.

Hemant Soni: So it will take the entire capacity to 6.7, right?

Pranav Bansal: Absolutely, sir.

Hemant Soni: So the entire 5.5 is available right now, right?

Pranav Bansal: Yes, sir.

Hemant Soni: And sir, what is the blended capacity utilization?

Pranav Bansal: The blended capacity utilization I think for the full year was about 69%.

Hemant Soni: No, I am talking about the 4th quarter, sir?

Pranav Bansal: 4th quarter, I do not have the numbers now, but you can connect with Mr. Ghanshyam and he will give you the details later.

Hemant Soni: So, sir, are we expecting some sort of improved capacity utilization in quarter 1?

Pranav Bansal: Sir, we are definitely expecting some better numbers every quarter herein. Although the 1st quarter for our industry, generally is a little slow because of labor shortages throughout the Northern part, but I think from the 2nd Quarter is where you will see better ramp up happening.

Hemant Soni: Even I was expecting better numbers in Quarter 4 actually given the ramp up was already planned, but a little disappointed because there was no Q-on-Q growth?

Ghanshyam Das Gujrati: Actually, I would say, I had one more point that you might have seen that our working capital has been utilized, and the capitalization has already also been done during this quarter. Because of all these things that EBITDA is our higher, but due to these two factors, the profit has come down.

Pranav Bansal: But no problem, sir. We will try to deliver you better results in the coming quarter.

Hemant Soni: Thank you.

Moderator: Thank you. Next question is from the line of Yashvi from Molecules. Please go ahead.

Yashvi: Hello. Good morning, sir. My question was regarding the consolidation of the associate company. So from what I understand we have consolidated 2 companies, which are Bansal Steel & Power and BWI. But we still have 2 lease agreements with Bansal High Carbon Private Limited and Balaji Wires. So are we planning to consolidate these 2 entities as well or what is the scenario there?

Pranav Bansal: So, ma'am, in the last year, we have actually consolidated all sales for these 2 entities also. Only the manufacturing still remains because Dadri is not fully available in terms of operational capacity. As and when we are able to ramp up in Dadri, those capacities that we are operating in Balaji and Bansal High Carbon will shut down. This should happen within this year. But again, with that being said, all revenue and EBITDA is already part of Bansal Wire.

Yashvi: And my second question is, you are saying that the EBITDA margins next year shall dip due to the volume growth you are expecting, which is 20%-30% growth. But as we are adding the Specialty Wires, don't you expect the margin spike instead as we are also doing Bead Wire, Hose Wire and Steel Cords and IHD and OHD wires, so why are you expecting a margin dip and how does the volume affect the margins?

Pranav Bansal: So these products that we have added, for example Steel Cord, Hose Wire, these are products which have a long run approval process. Although that approval process has started, but it will take us a year to see good ramp up happening in Steel Cord specifically which will increase our EBITDA. Therefore, for FY '26, we do not see a lot of benefit coming from Specialty Wires vertical. FY '27, however, we should see some good numbers happening. Coupled with backward integration, that will happen in the later part of FY '27. I think our EBITDA should be coming back to normal in FY '27.

Yashvi: So Specialty side show up in the numbers in FY '27 and not the next year. Am I correct there?

Pranav Bansal: Yes.

Yashvi: And sir, you will also add up the capacities for the Steel Cord once you are done with the sampling and getting the approvals and then you will look forward for CAPEX in that segment? Is that correct?

Pranav Bansal: Absolutely.

Yashvi: Thank you.

Moderator: Thank you. Next question is from the line of Vidit Trivedi from Asian Market Securities. Please go ahead.

Vidit Trivedi: Hi, sir. Good morning. Most of the questions have been answered. Just wanted to check, have we gained any market share during the Financial Year?

Pranav Bansal: Sir, although I do not have the right details with me, but just to give you a small understanding, as per our understanding of the industry, the industry grows at about 6%-7% every year whereas we have grown at about 35% in revenue and we would have definitely outgrown the industry in volumes as well. So therefore, there would definitely be an increase in market share, which has been the case throughout. Even in the last 10 years, we have been growing at 20%-25%, whereas the industry grows at 6%-7%. So every year we grab market share.

Vidit Trivedi: Got it, sir. And I am sorry I dropped off the call. What is the capacity utilization in Dadri?

Pranav Bansal: Capacity utilization by the last month of this year was at 40%.

Vidit Trivedi: Got it, sir. Thank you.

Moderator: Thank you. Next question is from the line of Jay Vaghasia from Patel Equities. Please go ahead.

Jay Vaghasia: Hi, Pranavji. So just wanted to make sure, we are doing Rs. 600 crores expansion in Sanand. So how are we going to fund it because cash flows are negative. So have you achieved financial flows and any details you could give on that?

Pranav Bansal: Sir, as I previously mentioned, we are already going towards positive cash flows and I think from the 1st quarter of next year, you will see our cash flows coming in from our operations activity. So that will really help us in funding this capacity expansion in the next 2 years. And even at EBITDA front, we see some growth happening every year. Therefore, at Rs. 270-Rs. 280 crores of EBITDA that we did last year, we are expecting something better in FY '26 and FY '27. That coupled with a bit of debt, we should be able to manage this backward integration.

Jay Vaghasia: No, but again the problem is Pranav, this receivable days, so is it pretty standard or are you on the higher side in receivable days as compared to industry, your thoughts?

Pranav Bansal: Sir, we have been at this kind of a level throughout many years and been able to grow at 20%-25%. But yes, definitely this is something that we are improving on and from the 1st quarter of FY '26 itself, you will see some change happening. We will go towards positive cash flows and also better ROCE. Although we have closed this year at about 19%, our Quarter 4 specific ROCE was 21%. So as we guided earlier as well, we want to remain at above 20% kind of a number in ROCE and positive cash flows is what you will see the whole year.

Jay Vaghasia: And last question is, once the Sanand comes online, would it help us in reducing our inventory? Because now being a backward integrated, would it help us to any extent or it is just for security of our raw materials, how are you feeling?

Pranav Bansal: The backward integration would help us in 2 different ways. First, it will help us in securing our raw material and in some areas we are not able to grow because of raw material availability. So that will really help us. Second, it will help us in expanding our margin profile, dip in our margins this year, but by FY '28, we will come back to the 25 margin numbers because of this backward integration. Inventories, it will not really reduce because any inventory that we carry in raw material, in wire rods, we will carry in the raw material for backward integration.

Jay Vaghasia: Got it. Thank you very much.

Moderator: Thank you. Next question is from the line of Prakhar Khajanchi from Anand Rathi. Please go ahead.

Prakhar Khajanchi: Hello. Hi Pranav, thank you for the opportunity and congratulations on a good set of number. I have just one question, could you please share the capacity breakup between Stainless Steel, Low Carbon and High Carbon?

Pranav Bansal: Sir, we do not disclose segment wise numbers or capacities. Overall, our capacity was at 5.6 lakh tons. Majority of it I could say is Low Carbon and then would be High Carbon and Stainless Steel.

Prakhar Khajanchi: And what kind of EBITDA per tons we can like see for this year going ahead?

Pranav Bansal: So sir, last year, we did about Rs. 8,000 of EBITDA. And the Quarter 4, we were at Rs. 7,600 a ton EBITDA which should reduce slightly because of the product mix and grabbing higher market share this year.

Prakhar Khajanchi: Thank you.

Moderator: Thank you. Next question is from the line of Depesh from Invesco. Please go ahead.

Depesh: Hi, Pranav. Thanks for taking my question. Sir, can you just highlight because of consolidation, we are a little confused, but like for like volume growth as a group, what was the volume growth that you saw in FY '25?

Pranav Bansal: Sir, I think we did about 15% roughly volume growth, but for the exact numbers we can get you that afterwards.

Depesh: No, this is fine. So 15% kind of a growth now, I just want you to understand like you are guiding around 25%-30% kind of volume growth and you also say that industry is growing at 6%-7%. So how much opportunity in India given our market share that we can grow at this rate consistently moving forward or export will be a big part of the growth?

Pranav Bansal: So sir, historically, we have been able to manage 20%-25% growth. Although this happens wherein 1 year, we try to increase our margins and maybe increase our volume by 10%-15%, but the next year we try to increase our volume by 20%-30% while reducing our margins a little bit. And the next year, again we try to stabilize our margins. So therefore even the last year has been a year where we have improved our margins significantly while only growing at 10%-15% in volume, but FY '26 should be a year where we will sacrifice our margins a bit to grab a higher market share.

Depesh: But when you sacrifice your margins and you take the volume from others, like do they also like they have to also react, right? So when the industry is not growing, that is what I want to understand because 20%-25% growth in industry is growing at 7% how is that possible?

Pranav Bansal: So sir, the good thing is that we are part of an industry in which being the second largest Steel Wire Company today, we still only have 6%-7% market share. So therein we believe that there is room for one more Bansal Wire every year. So we are not honestly taking away any quantities from them, but we would like to think of it as getting additional quantity that the market is growing at.

Depesh: Understood. Got it, sir. And secondly, in one of the questions you replied that you expect 10% reduction in the EBITDA per ton number. I just want to clarify is that on the exit rate you are saying on the full year number that you are saying the 10% reduction?

Pranav Bansal: So that will be on the exit, so 7,600 per ton minus 10%. Of course, it might vary a little bit due to the product mix, but yes, in general I think 10% number on exit is good to consider.

Depesh: Yes, understood. And thirdly, basically the CAPEX that you have in FY '26, one, you said like Rs. 600 crores, the majority, you will be doing in FY '26 only. So let us say like 60% you are going to do and then Dadri, may you have a Rs. 30 crores CAPEX which is lined up, right? So what about Rs. 400 crores CAPEX you will do plus anything on Specialty you also want to do in this year?

Pranav Bansal: So Speciality, we are not looking at a big number this year. That should happen in FY '27.

Depesh: And inventory levels which have increased this year, you explained that without consolidation that happened, but what is the normalized number, like can it go back to FY '24 levels this year?

Pranav Bansal: Sir, on absolute terms, it will not go to FY '24 levels because from FY '24 to FY '26 our volumes will be higher by about 50%.

Depesh: No, correct. I am saying inventory days as a percent of sales, shall I go back?

Pranav Bansal: Definitely, it will go to 24, it might even reduce because this year, as I said, we are focusing on positive cash flows and better ROCE. Therefore overall throughout even receivables or inventory days, we are targeting to reduce that by a good margin. There, we will get cash from the company.

Depesh: Understood. Got it. The net debt to EBITDA has already crossed around 2.2 levels right now. Is there any threshold number which you don't want to cross? Is there any number in the mind?

Pranav Bansal: Sir, again for the last 20 years, we have been maintaining 4 kind of a gross debt or net debt to EBITDA and we have been very comfortable. However, we don't believe that even with this expansion, we will have to go to that level again. This year again looking at a good EBITDA coming our way in the next 2 years.

Depesh: Understood. And the last question on my side is like, since your company is new, we just want to understand is there any seasonality in the business or like you can see volume growth every quarter?

Pranav Bansal: Sir, there is not a lot of seasonality in the business. However, just the 1st quarter of every year, we see a lower volume owing to labor shortages in the Northern part of India. And that is where 50%-60% of our sales come from. So there is some less off-take in our customers in Northern area, but that does not affect us very lot.

Depesh: And then any monsoon impact because that construction is a big part of your right. So that is also, so H2 should be heavy in volumes? That is how to read it?

Pranav Bansal: Yes, Sir. Generally, H2 is better than the 1st half and 2nd Quarter is also good. 2nd is good. 3rd is the best.

Depesh: Thank you very much. Thank you.

Moderator: Thank you. Next question is from the line of Hiten Boricha from Sequent Investment. Please go ahead.

Hiten Boricha: Hello. Yes. Good morning, sir. And my question is again on the CAPEX. So if you can just give us give us the breakup of the Rs. 600 crores, how much we are going to spend this year and how much we are going to spend next year, just to understand how will our debt look like by the end of this year and also if you can share the cost of debt?

Pranav Bansal: So, sir, I believe we are looking at about Rs. 350 odd crores or Rs. 400 odd crores in total of investments this year and about Rs. 250 crores next year. That is the total number.

Hiten Boricha: And if you can share the cost of debt, sir?

Pranav Bansal: Cost of debt Ghanshyamji, can you take this?

Ghanshyam Das Gujrati: It will be around 8.25-8.5.

Hiten Boricha: Yes. Also I have one small suggestion, sir. If you can add your like volume numbers quarterly basis and EBITDA per ton numbers in your presentation, it could be helpful for us as an analyst to understand more and then ask you questions on the concall.

Pranav Bansal: Sure, sir.

Hiten Boricha: Thank you.

Moderator: Thank you. Next question is from the line of Akash from Dalal & Broacha. Please go ahead.

Akash: Yes, actually I wanted to understand the higher tax incident that we have. So this time I think the applicable rate was almost at 34% on the PBT, so why so high taxation numbers for us?

Pranav Bansal: Ghanshyamji, can you take this?

Ghanshyam Das Gujrati: Yes, actually our subsidiary is under MAT. Because of that, we are paying 33%. The actual outflow is not there. The incidence of deferred tax of MAT is there actually. So because of that it is looking like that 34%, otherwise it is around 25%.

Akash: So when do we expect this to normalize going forward now that we have brought most of our business in our standalone entity?

Ghanshyam Das Gujrati: In FY '26.

Akash: FY '26, so we will come back to 25%?

Ghanshyam Das Gujrati: Yes, we will come back to 25%.

Pranav Bansal: The tax rate is already 25%. It is only on the face of it that you see 34. The actual outflow is 25% still.

Akash: Understood, sir. So the cash outflow is not there, but optically it looks like it is 33%-34%?

Pranav Bansal: Yes. Because of the legal compliance, etc., it is going to be there.

Akash: Fair enough. But in FY '26 it will normalize, right?

Pranav Bansal: Yes.

Akash: Great. Thanks.

Moderator: Thank you. Next question is from the line of Prateek Singh from Dam Capital. Please go ahead.

Prateek Singh: Hi. Thanks for taking my question again. Just another clarification on a prior answer. Pranav, when you said that Specialty will start contributing from FY '27 onwards, so this year there will be some contribution from Hose Wires, right and they also are recently higher margin like Rs. 20,000-Rs. 25,000 per ton kind of EBITDA margin business. So will we have some contribution from Hose Wires here?

Pranav Bansal: Sure, sir. We will definitely have contribution from Hose Wire, but that contribution in the total scheme of things is not very significant.

Prateek Singh: Right. So I understand the 20 KT to the total volume, so this year, can we expect like 5-10 KT or it would be even less than that in terms of Hose Wires?

Pranav Bansal: Sir, it all depends on approvals, although we are expecting something good to happen in the next 25-30 days. So I think 5,000-7,000 tons is a good number to consider.

Prateek Singh: Understood. And again, I am just sticking it a bit, so pardon me for that, just want to understand what kind of margins, very ballpark, I understand that we are not still selling it. What kind of margins do we make there? Is it Rs. 20,000-Rs. 25,000 per ton number correct or can we do a bit higher or lower than that?

Pranav Bansal: Sir, right now I do not have the margin numbers with me, but I think it should be in line with our guidance before.

Prateek Singh: Understood. Thanks a lot.

Moderator: Thank you. Next question is from the line of Shweta Dikshit from Systematix Group. Please go ahead.

Shweta Dikshit: Hi, thank you again. So one question, what would be your CAPEX for FY '27, capital expenditure for FY '27 and what kind of CAPEX trajectory are you looking at for beyond FY '27 in your medium-term growth plan?

Pranav Bansal: Ma'am, as I said before, we are looking at about Rs. 600 crores of CAPEX for backward integration, which will happen in FY '26 and FY '27. Apart from that, maybe another Rs. 100 crores and some upgradation and some capacity, some expansion in Dadri, so Rs. 700 crores of I think total CAPEX in the next 2 years, which will be funded majorly through internal accruals and some amount of debt.

Shweta Dikshit: Any plans of CAPEX beyond FY '27, if anything is under evaluation or what is your targeted growth plan that this is the steady state CAPEX that you would likely to take on every year?

Pranav Bansal: So ma'am, for the Wire business itself, I think another Rs. 100-Rs. 150 crores of CAPEX every year is what we would look at to grow regularly. And apart from that, the opportunity that we have on hand is the Specialty Wire business, the Steel Cord division, which has potential for us to grow at about 10x from the pilot project that we have. So that is an investment that we would like to do as and when we see some good results coming from the customers, but that number is not known for us today.

Shweta Dikshit: Thank you so much.

Moderator: Thank you. Next question is from the line of Praful Kumar from Dymon Asia. Please go ahead.

Praful Kumar: Hi Pranav, congratulations on good numbers. Just to summarize, sorry I joined the call a bit late. You are talking about 25% volume growth next year with slightly lower EBITDA per ton given the market share gains that you are looking at and improving ROCE, correct?

Pranav Bansal: Yes, sir, absolutely improving ROCE and improving cash flows.

Praful Kumar: And free cash flows. Secondly on that big project that you got our entire team for, how is that progressing and when should it see light of the day, how are the pilot going and feedback on the product?

Pranav Bansal: So, sir, the Steel Cord and Hose Wire project currently is going better than our expectations. Hose Wire, we are already seeing 25% capacity utilization, and this should jump significantly in the next 2-3 months after we get some approvals from our customers. Apart from that Steel Cord also we have already sent samples and they are under evaluation. Right now, we have gotten good response of products from our customers as well. So I think we are on track if not better to get some good utilization next year. And once we are able to get some approvals, we will start expanding in that Specialty Wire vertical.

Praful Kumar: The last one is, is there any PLI that you fall into in terms of this product or you are looking at that?

Pranav Bansal: Sir, we have applied for some PLI's, we already have PLI for Bead Wire in Bansal Wire which we will start utilizing this year. And apart from that we will also be able to apply for PLI in Specialty Wire, the Steel Cord project whenever we go for it.

Praful Kumar: You will be eligible, correct?

Pranav Bansal: Yes, absolutely.

Praful Kumar: Good luck. Do well. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question of the day. I now hand the conference over to Mr. Pranav Bansal for closing comments.

Pranav Bansal: Thank you everyone for joining the call. I hope we have answered all your queries. For any other questions, please do not hesitate to contact us. We will get you all the information that is available. Thank you again. Looking forward to your continued support.

Moderator: Thank you. On behalf of Bansal Wire Industries Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.